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NEWS RELEASE

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced today the sentencing of Rudy J. Lanier, age 50, and corporate defendant All State Environmental Dredging, Inc., of Sneads Ferry, North Carolina

On February 9, 2005, Lanier pleaded guilty to making false statements to the Army Corp of Engineers, and the corporation pleaded to criminal violations of the Clean Water Act. United States District Judge Rebecca Beach Smith sentenced Lanier to 30 days in jail, 60 days home confinement, and a fine of \$75,000 to be paid joint and severally with the corporation. Lanier has already paid \$1,674 in restitution to the Army Corp of Engineers. The corporation was placed on five years probation in addition to the \$75,000 fine.

The defendants were charged in a six-count indictment returned by the federal grand jury on November 17, 2004. In August 2000 the Army Corps of Engineers awarded All State a \$426,500 contract to dredge the east-west channels between the north and south islets that make up Tangier Island, part of Accomack County, Virginia, in the Chesapeake Bay. The contract required All State to deposit the dredged material via pipeline to a shoreline placement site— a portion of the beach comprising the southwestern shore of Tangier Island. The deposit of the dredged material below the seawall was designed to rebuild the beach and prevent further erosion, and to serve other environment functions. However, beginning in November of 2000, All State crew members began short pumping spoil because its equipment was not able to pump the dredged material the distance required. Lanier and All State crew members denied allegations of short pumping and when given warnings by Army Corps of Engineer inspectors, All State would shut down work and claim mechanical difficulties.

In January of 2001 sonar sounding of the Bay bottom located a mound of approximately 4,748 cubic yards of dredged material. The mound was approximately 12 feet high and 300 feet in diameter. The Army Corps of Engineers later withheld \$9,496 from the All State contract for misplacing the material, and liquidated damages for delay in the amount of \$8,700. Lanier disputed this and several other contract reductions for approximately two more years.

During sentencing, United States District Judge Rebecca Beach Smith told Lanier that she considered this “an extreme offense” and it involved “an inordinately high amount of material placed in the waterways.” The defendant had been in the business and he “knew the rules and knowingly violated these rules.” “After the illegal dumping came to light, he tried to

cover-up what he had done.”

The investigation was conducted by the Army Criminal Investigation Division and the Environmental Protection Agency’s Criminal Investigation Division, with assistance from the Virginia Department of Environmental Quality Criminal Investigation Unit. Assistant United States Attorney Stephen W. Haynie of the United States Attorney’s Office and Special Assistant U.S. Attorney and Assistant Regional Counsel for the United States Environmental Protection, Michael R. Fisher, prosecuted the case for the United States.

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